



MONEY TALKS, LEARN ITS LANGUAGE



FINANCIAL LITERACY

Financial literacy is knowledge about personal management of finances. It gives the twin benefits of protecting from financial frauds as well as planning for financially secured future. Financial literacy gives consumers the necessary knowledge and skills required to assess the suitability of various financial products and investments available in the financial market.

REASONS TO PROVIDE FINANCIAL EDUCATION FOR MIGRANTS AND THEIR FAMILIES

- Maximize the benefits of better economic and employment situations in the host country for the long-term livelihood of migrants and their families
- Facilitate integration into the host countries and communities and reintegration in the origin country or community
- Reduce wealth inequality through remittances
- Encourage effective use of remittances
- Foster long-term investment and savings
- Availability and equality of opportunities to access financial services

- Promote entrepreneurship and set up of enterprises and access to finance.

BENEFITS OF FINANCIAL LITERACY

Basic financial literacy helps you become self-sufficient and achieve financial stability. This includes being able to save money, distinguish the difference between wants and needs, manage a budget, pay the bills, buy a home, pay for college and plan for retirement. Literacy helps you create a realistic roadmap that will take them through their daily lives and make good financial decisions.

Understanding your finances help reduce the risk of becoming a victim of fraud. Some tactics are easy to believe, especially when they're coming from someone who seems to be knowledgeable and well-intended. A basic level of financial education will help you recognize the red flags and at the very least, talk with a trusted advisor before making any commitment.

FINANCIAL LITERACY ADDRESSES THE 2 ASPECTS OF MIGRATION

Maximize the benefits of migration:

- Proper use of remittance through budgeting, goal setting and financial planning

Minimize the negative effect of migration:

- Discuss family issues that drain resources and assist the migrants and family in coping with negative impact of migration on the family relations

SETTING FINANCIAL GOAL



BARRIERS TO REINTEGRATION

- Lack of savings for long-term development of the migrants and their families
- Failure in business/investments
- Family issues that drain resources

- Lack of psychological/emotional preparation for reintegration/lack of emotional bond with the family
- Lack of economic opportunities in communities of origin

MIGRATION

Migration is a way to move from one place to another in order to live and work. Movement of people from their home to another city, state or country for a job, residency or some other reasons is called migration.

SOCIAL IMPACTS OF MIGRATION

After arriving in the host country, migrants may experience various social issues such as difficulty in adjusting to new work and life environment, language barriers, lack of knowledge about and access to health and psycho-social services, loss of social status, discrimination and marginalisation.

ECONOMIC IMPACTS OF MIGRATION

The economic effects of migration vary widely. Sending countries may experience both gains and losses in the short term but may stand to gain over the longer term. For receiving countries, temporary worker programs help to address skills shortages but may decrease domestic wages and add to public welfare burden.

MIGRATION AND SUSTAINABLE DEVELOPMENT GOALS

In 2015, member states of the United Nations issued a call to action to eradicate global poverty, reduce economic inequality and place the world on a more sustainable pathway; the 2030 Agenda for Sustainable Development. This comprehensive undertaking affirms the need to reach 17 specific Sustainable Development Goals (SDGs) and proposes several ways to mobilize the additional resources required to realize this ambitious – but achievable – agenda. Of these, SDG 10 (reduce inequality within and among countries) specifically refers to safe migration.

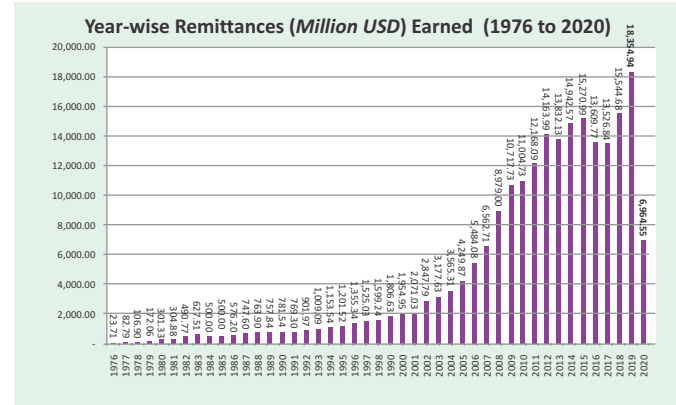
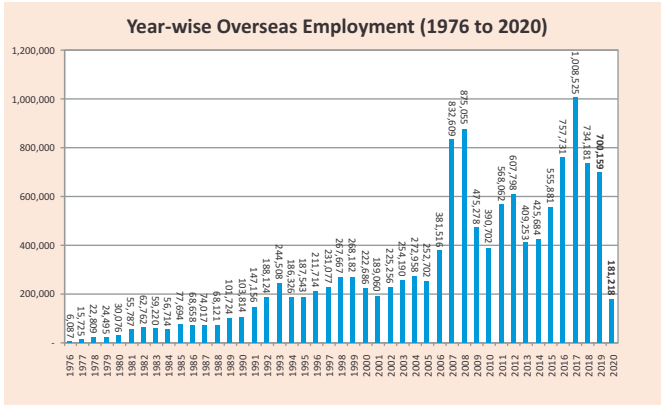
SDG-10 has ten targets and one of the most important targets is 10.c which means that by 2030, the transaction costs of migrant remittances shall be reduced to less than 3% and remittance corridors with costs higher than 5% shall be eliminated.

REMITTANCE

A remittance refers to the money that is sent or transferred to another party. The term is derived from the word 'remit', which means 'to send back'. Remittances can be sent via a wire transfer, electronic payment system, mail, draft or cheque.

Remittances can be used for any type of payment including invoices or other obligations. But the term is typically used to refer to money sent to family members by the migrant, back in his or her home country.





BALANCE OF PAYMENTⁱⁱ

Migration plays a vital role in the national economy mainly in two major ways; firstly, it reduces unemployment and secondly, migration results in remittance flows for the country. The migration has shown steady growth over the year that is favorable to the development of Bangladesh; as inflow of remittance has increased every year. The links between migration and remittances are self-evident. Both have a strong correlation to poverty reduction in home countries. Remittance has become an important aspect for the developing countries like Bangladesh for socio-economic

advancement. Remittance has a significant role to maintain balance of payment and to enrich foreign

Remittance, its Impact on balance of payment

Year	Remittance	Import	Export	Trade balance
2002-2003	3.06	9.66	6.44	3.11
2003-2004	3.37	10.86	7.6	3.25
2004-2005	3.85	13.18	8.65	4.52
2005-2006	4.8	4.75	10.53	4.22
2006-2007	5.98	17.16	12.18	4.98
2007-2008	7.92	21.63	14.11	7.52
2008-2009	9.69	22.51	15.57	6.94
2009-2010	10.97	23.74	16.2	7.53

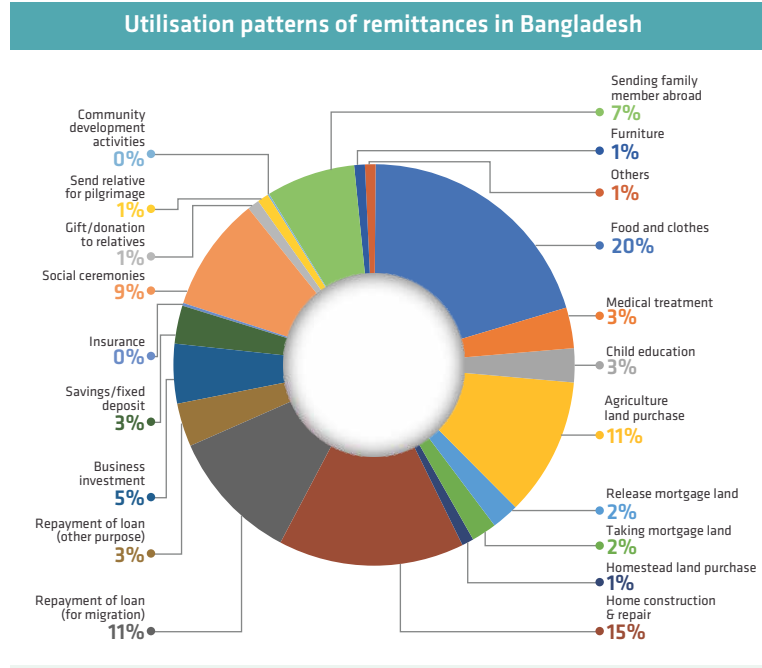
currency reserve. It also has a great contribution to Gross Domestic Product (GDP) of the country.

NECESSARY DOCUMENTS OF A NEW BANK ACCOUNT FOR REMITTANCE

1. Banks prescribed account opening application form
2. National ID card/passport
3. Copies of passport size photo
4. Copy of identity card of nominee (national id card/passport/birth certificate)
5. Copy of a passport size photo of a nominee
6. Photocopy of passport
7. Copy of visa
8. Contract agreement

UTILISATION PATTERN OF REMITTANCE ⁱⁱⁱ

A significant portion of remittance is used for purchase of land and home construction. While going abroad, a migrant worker usually manages the fund for his or her migration either by selling or mortgaging land or other properties. So, to retrieve the sold or mortgaged land, some portion of remittance is used. See below table for more information:



BOOST UP REMITTANCE INFLOW ^{iv}

A number of steps have been taken by Bangladesh Bank to boost up remittance inflow. Some notable steps are:

- 40 banks have been allowed for establishing 885 drawing

arrangements with 300 exchange houses all over the world for collecting remittances, of which approximately 650 drawing arrangements with 250 exchange houses are operative now.

- Some banks have already established their offices abroad to collect remittances by their own.
- 69 exchange houses/branch offices/representative offices abroad of 24 local banks are permitted for onward sending of remittances to the country.
- Bangladesh Electronic Funds Transfer Network (BEFTN) was inaugurated from 28 February 2011, with other funds transfer activities, will facilitate the quick delivery of remittances to beneficiaries through bank-to-bank clearing systems.
- 16 MFIs are allowed to perform the job of remittance distribution. Banks (Bank Asia Ltd., BRAC Bank Ltd., Dhaka Bank Ltd., Trust Bank Ltd., Mercantile Bank Ltd., Citibank N.A. and Sonali Bank Ltd.) are now allowed to distribute remittance using the countrywide outlets of different mobile operators like Grameenphone, Banglalink & Robi.
- To increase the competition among the money transmitters, commercial banks are instructed to amend the contracts with some multinational money remitters/exchange houses through their mutual

understanding to remove “Pay Cash Exclusivity Clause” or any other such clause that can put a ceiling on the competition in the market among the related parties.

LOAN

A loan is when you receive money from a friend, bank or financial institution in exchange for future repayment of the principal, plus interest. The principal is the amount you borrowed and the interest is the amount charged for receiving the loan.

CHARGES AND RULES FOR REPAYING MIGRATION LOAN FROM PROBASHI KALLYAN BANK^v

- In case of migration loan, the interest rate is only 09 percent.
- A maximum grace period of 02 (two) months is given from the day of payment.
- The maximum loan repayment period is two years (in 22 monthly installments the loan has to be repaid) as per the visa validity granted in the country. Such as Saudi Arabia, United Arab Emirates, Bahrain, Mauritius, Brunei, Qatar, Italy, Europe, etc.
- In case of Singapore, the loan has to be repaid in 10 installments within 01 year.

TYPE OF LOAN FOR MIGRANTS FROM PROBASHI KALLYAN BANK

- Migration loan
- Rehabilitation loan

SAVINGS

Savings is not the opposite of spending. It is simply means keeping your money to spend it in the future.

IMPORTANT TIPS IN SUCCESSFUL SAVING

- Save before you spend.
- Recognize your NEEDS versus your WANTS.

Write your budget and life goals and stick to your financial plan.

INSURANCE

Even if you don't have the savings, your insurance will give your loved ones the money and social protection that they need.

Therefore...

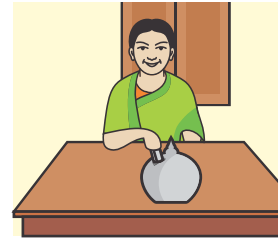
Saving is not the end itself.

One must learn to SAVE and INVEST and INSURE oneself.

However, you must first learn to SAVE before you can invest or pay for the insurance.

TIPS TO ACHIEVE YOUR SAVINGS GOAL

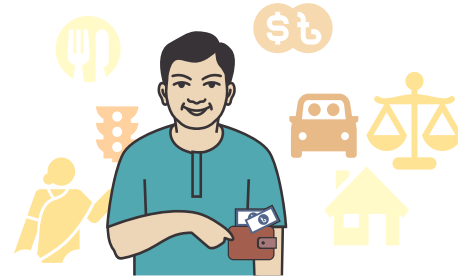
- Increase income
- Decrease expenses
- Increase the years to save
- Lower the amount required for the goal
- Diversify investment to earn higher rate of return



2 % CASH INCENTIVE ON THE REMITTING AMOUNT^{vi}

- Wage earners' remittance worth BDT 150,000 or equivalent currency sent by wage earner through exchange houses/banks will not require any documents to get 2% cash incentive as applicable.

- For wage earners' remittance above BDT 150,000, beneficiary need to claim the incentive. If the beneficiary and remitter are the same person and residing abroad, then the beneficiary will communicate directly over phone or e-mail to his/her bank branch in Bangladesh for claiming cash incentive.
- If the remitter is sending money to beneficiary in Bangladesh (the beneficiary is other than remitter and the amount is more than BDT 150,000), the beneficiary in Bangladesh is required to claim incentive from his/her bank in Bangladesh.
- Correspondent bank/payee bank may ask beneficiary to submit the following documents at the time of payment of cash incentive:
 - Passport copy
 - Appointment letter copy/no. provided by foreign employer/BMET (Bureau of Manpower, Employment and Training) approval copy/no.
 - Residence permit copy/no.
 - Copy of trade license in case of remittance generated from business proceeds abroad
- Beneficiaries of wage earners' remittance also need to submit the above-mentioned documents to their bank branches within five working days for claiming cash incentive.



INVESTMENT

Saving is not enough; you have to make your money grow by investing it properly.

IMPORTANT TIPS ON INVESTING

- Pay yourself first
- Know your investment goal
- Diversify your investment; do not put your eggs in one basket
- Start early (the earlier you start investing, the better. The sooner you start, the less money you will need every year to achieve your investing goals. Your earnings will increase over time, so don't be afraid to start investing)



CREATING SCOPES FOR INVESTMENT

State

- The state-run PKB offers a maximum loan of 01 lac BDT (USD 1,250) for re-migration of returnees to cover the cost of airfare. It also offers up to 10 lac BDT (USD 12,500) for reintegration with only property documents and without collateral or mortgage.
- Loan facility of Tk 700 crore for returning migrants to use in business, investment or livelihood.

Private sector

Banks offer reintegration loans under its general loan schemes. BRAC Bank offers reintegration loans under its general loan scheme.

Civil society

CSOs and microfinance organization offer migration loans for returnees wishing to emigrate.

**Nobody plans to fail,
some just fail to plan**



- Bureau of Manpower, Employment and Training (BMET)
- Profile of migration, remittance and impact on economy by Dr. Md. Nurul Islam, Director, BMET.
- Profile of migration, remittance and impact on economy by Dr. Md. Nurul Islam, Director, BMET.
- Bangladesh Bank, Research Department
- Probashi Kallyan Bank
- Bangladesh Bank

If family concerns are not addressed;
financial goals will not be achieved...



You have to make your money grow
by investing it properly.



Migrant Resource Centre-Dhaka

District Employment and Manpower Office, Dhaka
Ground Floor, Probashi Kallyan Bhaban
71-72 Old Elephant Road, Eskaton Garden
Dhaka-1000, Bangladesh

Migrant Resource Centre-Cumilla

District Employment and Manpower Office, Cumilla
25, Chandala House, Bagichagaon, Cumilla-3500
Bangladesh

01730666936 (Dhaka), 01713086330 (Cumilla)

✉ info@mrc-bangladesh.org 🌐 www.mrc-bangladesh.org

📘 Migrant Resource Centre Bangladesh

📷 [mrc_bangladesh](https://www.instagram.com/mrc_bangladesh) 🐦 [mrc_bangladesh](https://twitter.com/mrc_bangladesh)

Supported by



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra
Swiss Confederation
Federal Department of Justice and Police FDJP
State Secretariat for Migration SEM

Implemented by



ICMPD

International Centre for
Migration Policy Development

